

Exhibit 12.7
Docket 3720-WR-107
Witness: Andrew Behm
June 21, 2010

Public Service Commission of Wisconsin
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Milwaukee Water Works

Cost of Service Study

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COMPARATIVE INCOME STATEMENT

ACCT NO.	OPERATING REVENUES	UTILITY ESTIMATE				TEST YEAR
		2006	2007	2008	2009	2010
460	Unmetered Sales to General Customers					
	Residential	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Commercial	196,110	111,396	127,495	140,000	175,000
	Industrial	0	0	0	0	0
	Public Authority	0	0	0	0	0
461	Metered Sales to General Customers					
	Residential	25,863,616	27,026,809	27,020,737	27,100,000	27,238,697
	Commercial	14,459,904	15,193,766	15,430,650	15,300,000	15,439,556
	Industrial	5,252,280	5,387,321	5,324,232	5,200,000	5,203,192
	Public Authority	3,110,162	3,297,319	3,552,530	3,500,000	3,585,644
	Total general sales	\$ 48,882,072	\$ 51,016,611	\$ 51,455,644	\$ 51,240,000	\$ 51,642,089
462	Private fire protection service	614,671	632,052	650,832	660,000	681,509
463	Public fire protection service	5,338,705	5,601,828	5,732,954	5,800,000	5,877,239
465	Sales to irrigation customers	0	0	0	0	0
466	Sales for resale	7,477,793	8,032,625	8,258,561	8,400,000	8,748,889
467	Interdepartmental sales	0	0	0	0	0
470	Forfeited discounts	1,591,647	1,855,769	2,062,962	2,300,000	2,600,000
472	Rents from water property	361,792	280,013	276,894	265,000	275,000
473	Interdepartmental rents	0	0	0	0	0
474	Other water revenues	888,164	577,829	261,253	335,000	625,000
	TOTAL OPERATING REVENUES	\$ 65,154,844	\$ 67,996,727	\$ 68,699,100	\$ 69,000,000	\$ 70,449,726

OPERATING EXPENSES

SOURCE OF SUPPLY

600	Operation labor	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
601	Operation labor and expenses	0	0	0	0	0
602	Purchased water	0	0	0	0	0
603	Miscellaneous expenses	0	0	0	0	0
604	Rents	0	0	0	0	0
610	Maintenance supervision and engineering	0	0	0	0	0
611	Maintenance of structures and improvements	0	0	0	0	0
612	Maint. of collecting and impounding reservoirs	0	0	0	0	0
613	Maintenance of lake, river, and other intakes	0	0	419,787	0	8,292
614	Maintenance of wells and springs	0	0	0	0	0
616	Maintenance of supply mains	0	0	0	0	0
617	Maintenance of misc. water source plant	0	0	0	0	0

PUMPING EXPENSES

620	Operation supervision and engineering	0	0	0	0	0
621	Fuel for power production	0	0	0	0	0
622	Power production labor and expenses	0	0	0	0	0
623	Fuel or power purchased for production	4,612,686	4,779,573	4,910,825	5,156,366	4,883,773
624	Pumping labor and expenses	302,342	306,631	309,852	315,463	330,026
625	Expenses transferred--credit	0	0	0	0	0
626	Miscellaneous expenses	39,656	57,550	72,665	58,322	64,688
627	Rents	0	0	0	0	0
630	Maintenance supervision and engineering	162,664	188,531	177,647	181,569	180,227
631	Maintenance of structures and improvements	141,362	188,589	470,014	188,821	265,820
632	Maintenance of power production equipment	0	0	0	0	0
633	Maintenance of pumping equipment	892,635	543,209	373,727	479,489	448,465

COMPARATIVE INCOME STATEMENT
(continued)

ACCT NO.	OPERATING EXPENSES	UTILITY				
		ESTIMATE	TEST YEAR			
		2006	2007	2008	2009	2010
	WATER TREATMENT EXPENSES					
640	Operation supervision and engineering	\$ 428,236	\$ 444,095	\$ 477,470	\$ 463,432	\$ 473,611
641	Chemicals	1,560,928	1,435,218	2,150,421	3,225,632	3,937,651
642	Operation labor and expenses	3,973,740	4,086,305	4,210,027	4,212,725	4,295,301
643	Miscellaneous expenses	1,160,884	1,204,009	1,232,599	1,235,139	1,149,030
644	Rents	0	0	0	0	0
650	Maintenance supervision and engineering	163,745	189,787	178,514	182,669	182,064
651	Maintenance of structures and improvements	793,139	1,574,618	1,332,981	920,730	870,365
652	Maintenance of water treatment equipment	2,108,090	2,272,627	2,286,101	2,288,941	2,448,319
	TRANS & DISTRIBUTION EXPENSES					
660	Operation supervision and engineering	900,915	953,595	862,463	932,827	942,728
661	Storage facilities expenses	0	0	0	0	0
662	Transmission and distribution expenses	2,140,953	2,219,323	2,225,853	2,261,238	2,210,524
663	Meter expenses	584,449	716,753	863,650	743,266	849,770
664	Customer installations expenses	0	0	0	0	0
665	Miscellaneous expenses	789,952	738,243	637,962	743,714	686,622
666	Rents	0	1,232,510	1,232,510	1,232,510	1,232,510
670	Maintenance supervision and engineering	0	0	0	0	0
671	Maintenance of structures and improvements	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	18,299	28,934	14,685	21,259	425,137
673	Maintenance of transmission and distr. mains	5,793,366	4,972,814	5,553,693	5,983,953	6,043,276
675	Maintenance of services	2,341,273	2,779,958	3,127,309	3,024,465	3,263,303
676	Maintenance of meters	126,100	181,200	168,167	163,244	186,666
677	Maintenance of hydrants	825,048	883,890	926,256	966,238	978,302
678	Maintenance of miscellaneous plant	157,274	281,270	244,544	234,527	283,594
	CUSTOMER ACCOUNTS EXPENSES					
901	Supervision	60,788	68,210	69,409	68,120	80,797
902	Meter reading labor	153,435	172,128	147,232	162,326	171,110
903	Customer records and collection expenses	524,605	684,955	315,213	324,669	649,813
904	Uncollectible accounts	0	0	0	0	0
905	Miscellaneous customer accounts expenses	0	0	0	0	0
906	Customer service and information expenses	0	0	245,685	253,056	4,129
	SALES EXPENSES					
910	Sales Expenses	0	0	0	0	0
	ADMIN. & GENERAL EXPENSES					
920	Administrative and general salaries	2,462,027	2,739,726	2,620,367	2,685,595	2,872,250
921	Office supplies and expenses	399,730	468,385	480,377	462,982	477,745
922	Administrative expenses transferred -- credit	0	0	0	0	0
923	Outside services employed	812,718	772,305	1,311,050	1,084,642	1,591,819
924	Property insurance	59,019	54,370	57,703	58,742	58,038
925	Injuries and damages	462,996	296,371	409,941	401,462	426,324
926	Employee pensions and benefits	4,132,052	5,742,969	5,635,239	5,804,296	6,842,103
928	Regulatory commission expenses	10,008	16,957	126	9,301	9,585
929	Duplicate charges -- credit	0	0	0	0	0
930	Miscellaneous general expenses	10,925	104,274	80,891	67,324	95,873
931	Rents	1,142,182	221,440	229,397	229,697	224,926
932	Maintenance of general plant	59,307	87,467	62,764	71,941	98,435
	TOTAL OPER. & MAINT. EXPENSES	\$ 40,307,528	\$ 43,688,789	\$ 46,125,116	\$ 46,900,692	\$ 50,243,011
404-407	DEPRECIATION EXPENSE	9,924,274	10,196,554	10,371,144	10,405,649	11,230,415
404-407	TAXES AND TAX EQUIVALENT	8,216,646	8,624,472	9,471,090	10,358,827	10,345,000
	TOTAL OPERATING EXPENSES	\$ 58,448,448	\$ 62,509,815	\$ 65,967,350	\$ 67,665,168	\$ 71,818,426
	NET OPERATING INCOME	\$ 6,706,396	\$ 5,486,912	\$ 2,731,750	\$ 1,334,832	\$ (1,368,700)

NET INVESTMENT RATE BASE

UTILITY FINANCED PLANT IN SERVICE	\$	481,729,418
Less: ACCUMULATED PROVISION FOR DEPRECIATION		177,039,982
Less: REGULATORY LIABILITY		<u>10,952,897</u>
NET INVESTMENT	\$	293,736,539
Plus: MATERIALS AND SUPPLIES		<u>2,375,000</u>
NET INVESTMENT RATE BASE	\$	<u>296,111,539</u>
RATE OF RETURN ON RATE BASE		5.18%

ESTIMATED INCOME STATEMENT FOR THE 2010 TEST YEAR
AND
REVENUE REQUIREMENT TO YIELD A 5.18% RETURN ON NET INVESTMENT RATE BASE

	<u>PRESENT RATES</u>	<u>INCREASE</u>	<u>AFTER RATE INCREASE</u>
TOTAL OPERATING REVENUES	\$ <u>70,449,726</u>	<u>16,717,173</u>	\$ <u>87,166,899</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSES	\$ 50,243,011		\$ 50,243,011
DEPRECIATION EXPENSE	11,230,415		11,230,415
TAXES AND TAX EQUIVALENT	<u>10,345,000</u>		<u>10,345,000</u>
TOTAL OPERATING EXPENSES	\$ <u>71,818,426</u>		\$ <u>71,818,426</u>
NET OPERATING INCOME (LOSS)	\$ <u>(1,368,700)</u>		\$ <u>15,348,473</u>
RATE OF RETURN ON RATE BASE	-		5.18%

**UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2010**

<u>ACCT NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>Balance</u>	<u>MAJOR</u>	<u>NORMAL</u>	<u>RETIRE-</u>	<u>Balance</u>	<u>TEST YEAR</u>	<u>DEPRECIATION</u>	
		<u>12/31/2009</u>	<u>ADDITIONS</u>	<u>ADDITIONS</u>	<u>MENTS</u>	<u>12/31/2010</u>	<u>RATE BASE</u>	<u>RATE</u>	<u>EXPENSE</u>
		<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>BALANCE</u>	<u>(%)</u>	<u>(\$)</u>
							<u>(\$)</u>		
INTANGIBLE PLANT									
301	Organization	0	0	0	0	0	0	N/A	0
302	Franchises and consents	0	0	0	0	0	0	N/A	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	N/A	0
SOURCE OF SUPPLY									
310	Land and land rights	0	0	0	0	0	0	N/A	0
311	Structures and improvements	0	0	0	0	0	0	0.00%	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0.00%	0
313	Lake, river, and other intakes	16,080,676	0	0	0	16,080,676	16,080,676	1.70%	273,371
314	Wells and springs	0	0	0	0	0	0	0.00%	0
316	Supply mains	5,618,708	0	0	0	5,618,708	5,618,708	1.80%	101,137
317	Other water source plant	0	0	0	0	0	0	0.00%	0
PUMPING PLANT									
320	Land and land rights	323,601	0	0	0	323,601	323,601	N/A	0
321	Structures and improvements	7,485,244	0	0	0	7,485,244	7,485,244	3.20%	239,528
323	Other power production equipment	0	0	0	0	0	0	0.00%	0
325	Electric pumping equipment	14,379,917	0	3,300,000	330,000	17,349,917	15,864,917	4.40%	317,867
326	Diesel pumping equipment	0	0	0	0	0	0	0.00%	0
328	Other pumping equipment	0	0	0	0	0	0	0.00%	0
WATER TREATMENT PLANT									
330	Land and land rights	914,137	0	0	0	914,137	914,137	N/A	0
331	Structures and improvements	14,501,702	0	550,000	35,000	15,016,702	14,759,202	3.20%	472,294
332	Sand or Other Media Filtration Equip	99,100,342	0	2,042,000	204,200	100,938,142	100,019,242	3.30%	3,300,635
333	Membrane Filtration Equipment	0	0	0	0	0	0	0.00%	0
334	Other Water Treatment Equipment	0	0	0	0	0	0	0.00%	0

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR 2010
(continued)

<u>ACCT NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>Balance</u>	<u>MAJOR</u>	<u>NORMAL</u>	<u>RETIRE-</u>	<u>Balance</u>	<u>TEST YEAR</u>	<u>DEPRECIATION</u>	
		<u>12/31/2009</u>	<u>ADDITIONS</u>	<u>ADDITIONS</u>	<u>MENTS</u>	<u>12/31/2010</u>	<u>RATE BASE</u>	<u>RATE</u>	<u>EXPENSE</u>
		<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>BALANCE</u>	<u>(%)</u>	<u>(\$)</u>
							<u>(\$)</u>		
TRANSMISSION & DISTRIBUTION PLANT									
340	Land and land rights	29,629	0	0	0	29,629	29,629	N/A	0
341	Structures and improvements	0	0	0	0	0	0	0.00%	0
342	Distribution reservoirs and standpipes	8,189,451	0	0	0	8,189,451	8,189,451	1.90%	155,600
343	Transmission and distribution mains	224,676,972	0	6,750,000	600,000	230,826,972	227,751,972	1.30%	3,017,922
345	Services	0	0	0	0	0	0	0.00%	0
346	Meters	27,883,365	1,850,000	132,000	5,320	29,860,045	29,796,705	5.50%	819,409
348	Hydrants	24,968,230	0	760,000	114,000	25,614,230	25,291,230	2.20%	556,407
349	Other transmission and distr. plant	0	0	0	0	0	0	0.00%	0
GENERAL PLANT									
389	Land and land rights	13,262	0	0	0	13,262	13,262	N/A	0
390	Structures and improvements	2,004,734	0	0	0	2,004,734	2,004,734	2.90%	58,137
391	Office furniture and equipment	3,503,959	0	4,000	400	3,507,559	3,505,759	5.80%	75,256
391	Office furniture & equip - Computers	5,838,113	0	503,900	43,900	6,298,113	6,068,113	26.70%	1,000,825
392	Transportation equipment	6,796,595	0	913,000	141,750	7,567,845	7,182,220	13.30%	0
393	Stores equipment	158,090	0	0	0	158,090	158,090	5.80%	0
394	Tools, shop and garage equipment	1,679,606	0	272,300	17,180	1,934,726	1,807,166	5.80%	104,816
395	Laboratory equipment	728,812	0	22,000	2,200	748,612	738,712	5.80%	42,845
396	Power operated equipment	2,397,494	0	262,000	65,500	2,593,994	2,495,744	7.50%	187,181
397	Communication equipment	3,542,361	0	47,000	4,700	3,584,661	3,563,511	15.00%	323,185
397	SCADA equipment	2,000,000	0	0	0	2,000,000	2,000,000	9.20%	184,000
398	Miscellaneous equipment	67,393	0	0	0	67,393	67,393	5.80%	0
TOTAL UTILITY FINANCED PLANT IN SERVICE		472,882,393	1,850,000	15,558,200	1,564,150	488,726,443	481,729,418		11,230,415

SYSTEM DEMAND RATIOS

MAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE 38,874,523,000 Gallons

AVERAGE DAILY PUMPAGE 106,505,542 Gallons

MAXIMUM DAY PUMPAGE 149,107,759 Gallons

FIRE FLOW:

GAL/MIN	18,000	
DURATION (HOURS)	18	
TOTAL FLOW	19,440,000	Gallons

AVERAGE DAY PLUS FIRE FLOW 125,945,542 Gallons

RATIO:	BASE	=	$\frac{106,505,542}{149,107,759}$	=	71.43%

MAX DAY	=	100-BASE	=	28.57%
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MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY 6,212,823 Gallons

MAXIMUM HOUR PUMPAGE 7,544,143 Gallons

AVERAGE HOUR
PLUS ONE HOUR FIRE FLOW 5,517,731 Gallons

RATIO:	BASE	=	$\frac{106,505,542}{181,059,422}$	=	58.82%	Use
						58.82%

MAX HOUR	=	100-BASE	=	41.18%	Use
					41.18%

**ALLOCATION OF UTILITY FINANCED PLANT
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		TOTAL	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			FIRE PROTECT.
			SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	STORAGE	BILLING	EQUIV. METER	EQUIV. SERVICE	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
INTANGIBLE PLANT													
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY													
310	Land and land rights	0	0		0								
311	Structures and improvements	0	0		0								
312	Collecting and impounding reservoirs	0	0		0								
313	Lake, river, and other intakes	16,080,676	11,486,197		4,594,479								
314	Wells and springs	0	0		0								
316	Supply mains	5,618,708	4,013,363		1,605,345								
317	Other water source plant	0	0		0								
PUMPING PLANT													
320	Land and land rights	323,601	231,144		92,457								
321	Structures and improvements	7,485,244	5,346,603		2,138,641								
323	Other power production equipment	0	0		0								
325	Electric pumping equipment	15,864,917	11,332,084		4,532,833								
326	Diesel pumping equipment	0	0		0								
328	Other pumping equipment	0	0		0								
WATER TREATMENT PLANT													
330	Land and land rights	914,137	652,955		261,182								
331	Structures and improvements	14,759,202	10,542,287		4,216,915								
332	Sand or Other Media Filtration Equip	100,019,242	71,442,316		28,576,926								
333	Membrane Filtration Equipment	0	0		0								
334	Other Water Treatment Equipment	0	0		0								

ALLOCATION OF UTILITY FINANCED PLANT
TO
SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY							CUSTOMER COSTS			FIRE PROTECT.	
		TOTAL	BASE COSTS		MAX DAY		MAX HOUR			BILLING	EQUIV. METER		EQUIV. SERVICE
			SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	STORAGE				
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
TRANSMISSION & DISTRIBUTION PLANT													
340	Land and land rights	29,629	6,775	8,464	2,514	0	0	5,925	343	0	3,034	0	2,575
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	8,189,451	4,817,324						3,372,127				
343	Transmission mains	86,419,925	61,728,518		24,691,407								
343	Distribution mains	141,332,047		83,136,498				58,195,549					
345	Services	0										0	
346	Meters	29,796,705									29,796,705		
348	Hydrants	25,291,230											25,291,230
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT													
389	Land and land rights	13,262	5,327	2,439	2,074	0	0	1,707	99	0	874	0	742
390	Structures and improvements	2,004,734	805,218	368,667	313,542	0	0	258,067	14,954	0	132,133	0	112,153
391	Office furniture and equipment	3,505,759	1,408,117	644,703	548,304	0	0	451,292	26,150	0	231,066	0	196,127
391	Office furniture & equip - Computers	6,068,113	2,437,307	1,115,916	949,058	0	0	781,141	45,263	0	399,952	0	339,476
392	Transportation equipment	7,182,220	2,884,797	1,320,798	1,123,305	0	0	924,559	53,573	0	473,383	0	401,804
393	Stores equipment	158,090	63,498	29,072	24,725	0	0	20,351	1,179	0	10,420	0	8,844
394	Tools, shop and garage equipment	1,807,166	725,863	332,335	282,642	0	0	232,634	13,480	0	119,111	0	101,101
395	Laboratory equipment	738,712	296,710	135,848	115,535	0	0	95,094	5,510	0	48,689	0	41,327
396	Power operated equipment	2,495,744	1,002,436	458,963	390,337	0	0	321,274	18,616	0	164,496	0	139,623
397	Communication equipment	3,563,511	1,431,313	655,324	557,336	0	0	458,727	26,581	0	234,873	0	199,358
397	SCADA equipment	2,000,000	803,316	367,797	312,802	0	0	257,458	14,918	0	131,821	0	111,889
398	Miscellaneous equipment	67,393	27,069	12,393	10,540	0	0	8,675	503	0	4,442	0	3,770
TOTAL		481,729,418	193,490,534	88,589,217	75,342,902	0	0	62,012,452	3,593,296	0	31,750,998	0	26,950,020

**ALLOCATION OF TOTAL PLANT
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY									CUSTOMER COSTS			FIRE PROTECT. (\$)
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)		
			SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	STORAGE (\$)					
	INTANGIBLE PLANT													
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0	
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0	
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0	
	SOURCE OF SUPPLY													
310	Land and land rights	0	0		0									
311	Structures and improvements	0	0		0									
312	Collecting and impounding reservoirs	0	0		0									
313	Lake, river, and other intakes	16,080,676	11,486,197		4,594,479									
314	Wells and springs	0	0		0									
316	Supply mains	5,618,708	4,013,363		1,605,345									
317	Other water source plant	0	0		0									
	PUMPING PLANT													
320	Land and land rights	323,601	231,144		92,457									
321	Structures and improvements	7,485,244	5,346,603		2,138,641									
323	Other power production equipment	0	0		0									
325	Electric pumping equipment	15,864,917	11,332,084		4,532,833									
326	Diesel pumping equipment	0	0		0									
328	Other pumping equipment	0	0		0									
	WATER TREATMENT PLANT													
330	Land and land rights	914,137	652,955		261,182									
331	Structures and improvements	14,759,202	10,542,287		4,216,915									
332	Sand or Other Media Filtration Equip	100,019,242	71,442,316		28,576,926									
333	Membrane Filtration Equipment	0	0		0									
334	Other Water Treatment Equipment	0	0		0									

**ALLOCATION OF TOTAL PLANT
TO
SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY								CUSTOMER COSTS			FIRE PROTECT. (\$)
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
			SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	STORAGE (\$)				
	TRANSMISSION & DISTRIBUTION PLANT												
340	Land and land rights	29,629	5,460	9,820	2,032	0	0	6,874	266	0	2,561	0	2,616
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
342	Distribution reservoirs and standpipes	8,189,451	4,817,324						3,372,127				
343	Transmission mains	90,348,405	64,534,575		25,813,830								
343	Distribution mains	212,028,128		124,722,428				87,305,700					
345	Services	0										0	
346	Meters	32,527,494									32,527,494		
348	Hydrants	33,219,292											33,219,292
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	0
	GENERAL PLANT												
389	Land and land rights	13,262	4,551	3,078	1,773	0	0	2,155	83	0	803	0	820
390	Structures and improvements	2,004,734	687,897	465,298	267,970	0	0	325,709	12,580	0	121,349	0	123,930
391	Office furniture and equipment	3,505,759	1,202,954	813,686	468,610	0	0	569,580	22,000	0	212,208	0	216,722
391	Office furniture & equip - Computers	6,068,113	2,082,191	1,408,407	811,117	0	0	985,885	38,079	0	367,311	0	375,123
392	Transportation equipment	7,182,220	2,464,481	1,666,991	960,038	0	0	1,166,894	45,071	0	434,750	0	443,996
393	Stores equipment	158,090	54,246	36,693	21,132	0	0	25,685	992	0	9,569	0	9,773
394	Tools, shop and garage equipment	1,807,166	620,104	419,443	241,562	0	0	293,610	11,340	0	109,390	0	111,717
395	Laboratory equipment	738,712	253,479	171,455	98,743	0	0	120,018	4,636	0	44,715	0	45,666
396	Power operated equipment	2,495,744	856,381	579,261	333,603	0	0	405,483	15,662	0	151,071	0	154,284
397	Communication equipment	3,563,511	1,222,770	827,090	476,330	0	0	578,963	22,362	0	215,704	0	220,292
397	SCADA equipment	2,000,000	686,273	464,199	267,337	0	0	324,940	12,551	0	121,063	0	123,638
398	Miscellaneous equipment	67,393	23,125	15,642	9,008	0	0	10,949	423	0	4,079	0	4,166
	TOTAL	567,012,830	194,562,760	131,603,490	75,791,864	0	0	92,122,443	3,558,171	0	34,322,069	0	35,052,034

**ALLOCATION OF DEPRECIATION EXPENSE
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		TOTAL	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			FIRE PROTECT.
			SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	STORAGE	BILLING	EQUIV. METER	EQUIV. SERVICE	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
INTANGIBLE PLANT													
301	Organization	0	0	0	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0	0	0	0
SOURCE OF SUPPLY													
310	Land and land rights	0	0		0								
311	Structures and improvements	0	0		0								
312	Collecting and impounding reservoirs	0	0		0								
313	Lake, river, and other intakes	273,371	195,265		78,106								
314	Wells and springs	0	0		0								
316	Supply mains	101,137	72,241		28,896								
317	Other water source plant	0	0		0								
PUMPING PLANT													
320	Land and land rights	0	0		0								
321	Structures and improvements	239,528	171,091		68,437								
323	Other power production equipment	0	0		0								
325	Electric pumping equipment	317,867	227,048		90,819								
326	Diesel pumping equipment	0	0		0								
328	Other pumping equipment	0	0		0								
WATER TREATMENT PLANT													
330	Land and land rights	0	0		0								
331	Structures and improvements	472,294	337,353		134,941								
332	Sand or Other Media Filtration Equip	3,300,635	2,357,596		943,039								
333	Membrane Filtration Equipment	0	0		0								
334	Other Water Treatment Equipment	0	0		0								

ALLOCATION OF DEPRECIATION EXPENSE
TO
SERVICE COST FUNCTIONS
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		TOTAL	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			FIRE PROTECT.
			SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	SYSTEM	DISTRIB.	STORAGE	BILLING	EQUIV. METER	EQUIV. SERVICE	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
TRANSMISSION & DISTRIBUTION PLANT													
340	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	
341	Structures and improvements	0	0	0	0	0	0	0	0	0	0	0	
342	Distribution reservoirs and standpipes	155,600	91,529					64,071					
343	Transmission mains	1,145,143	817,959		327,184								
343	Distribution mains	1,872,779		1,101,635			771,144						
345	Services	0									0		
346	Meters	819,409								819,409			
348	Hydrants	556,407										556,407	
349	Other transmission and distr. plant	0	0	0	0	0	0	0	0	0	0	0	
GENERAL PLANT													
389	Land and land rights	0	0	0	0	0	0	0	0	0	0	0	
390	Structures and improvements	58,137	26,826	6,921	10,500	0	0	4,845	403	0	5,148	3,495	
391	Office furniture and equipment	75,256	34,725	8,959	13,592	0	0	6,271	521	0	6,664	4,525	
391	Office furniture & equip - Computers	1,000,825	461,803	119,140	180,762	0	0	83,398	6,929	0	88,618	60,175	
392	Transportation equipment	0	0	0	0	0	0	0	0	0	0	0	
393	Stores equipment	0	0	0	0	0	0	0	0	0	0	0	
394	Tools, shop and garage equipment	104,816	48,364	12,478	18,931	0	0	8,734	726	0	9,281	6,302	
395	Laboratory equipment	42,845	19,770	5,100	7,738	0	0	3,570	297	0	3,794	2,576	
396	Power operated equipment	187,181	86,370	22,282	33,807	0	0	15,598	1,296	0	16,574	11,254	
397	Communication equipment	323,185	149,125	38,473	58,371	0	0	26,931	2,238	0	28,616	19,431	
397	SCADA equipment	184,000	84,902	21,904	33,233	0	0	15,333	1,274	0	16,292	11,063	
398	Miscellaneous equipment	0	0	0	0	0	0	0	0	0	0	0	
TOTAL		11,230,415	5,181,967	1,336,891	2,028,357	0	0	935,824	77,753	0	994,395	675,229	

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO
SERVICE COST FUNCTIONS

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			FIRE PROTECT. (\$)
			SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	STORAGE (\$)	BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
	SOURCE OF SUPPLY												
600	Operation labor	0	0		0								
601	Operation labor and expenses	0	0		0								
602	Purchased water	0	0										0
603	Miscellaneous expenses	0	0		0								
604	Rents	0	0		0								
610	Maintenance supervision and engineering	0	0		0								
611	Maintenance of structures and improvements	0	0		0								
612	Maint. of collecting and impounding reservoirs	0	0		0								
613	Maintenance of lake, river, and other intakes	8,292	5,923		2,369								
614	Maintenance of wells and springs	0	0		0								
616	Maintenance of supply mains	0	0		0								
617	Maintenance of misc. water source plant	0	0		0								
	PUMPING EXPENSES												
620	Operation supervision and engineering	0	0		0								
621	Fuel for power production	0	0										
622	Power production labor and expenses	0	0										
623	Fuel or power purchased for production	4,883,773	4,883,773										
624	Pumping labor and expenses	330,026	235,733		94,293								
625	Expenses transferred--credit	0	0		0								
626	Miscellaneous expenses	64,688	46,206		18,482								
627	Rents	0	0		0								
630	Maintenance supervision and engineering	180,227	128,734		51,493								
631	Maintenance of structures and improvements	265,820	189,871		75,949								
632	Maintenance of power production equipment	0	0		0								
633	Maintenance of pumping equipment	448,465	320,332		128,133								
	WATER TREATMENT EXPENSES												
640	Operation supervision and engineering	473,611	338,294		135,317								
641	Chemicals	3,937,651	3,937,651										
642	Operation labor and expenses	4,295,301	3,068,072		1,227,229								
643	Miscellaneous expenses	1,149,030	820,736		328,294								
644	Rents	0	0		0								
650	Maintenance supervision and engineering	182,064	130,046		52,018								
651	Maintenance of structures and improvements	870,365	621,689		248,676								
652	Maintenance of water treatment equipment	2,448,319	1,748,799		699,520								

**ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO
SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY											
		TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			FIRE PROTECT. (\$)
			SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	STORAGE (\$)	BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
	TRANS & DISTRIBUTION EXPENSES												
660	Operation supervision and engineering	942,728	87,353	269,918	28,184	0	0	188,942	11,824	0	70,006	220,421	66,080
661	Storage facilities expenses	0	0						0				
662	Transmission lines expenses	391,131	279,379		111,752								
662	Distribution lines expenses	1,819,393		1,070,231				749,162					
663	Meter expenses	849,770									849,770		
664	Customer installations expenses	0										0	
665	Miscellaneous expenses	686,622	63,622	196,591	20,528	0	0	137,613	8,612	0	50,988	160,540	48,128
666	Rents	1,232,510	114,204	352,887	36,848	0	0	247,021	15,459	0	91,525	288,175	86,392
670	Maintenance supervision and engineering	0	0	0	0	0	0	0	0	0	0	0	0
671	Maintenance of structures and improvements	0	0	0	0	0	0	0	0	0	0	0	0
672	Maintenance of distr.reservoirs and standpipes	425,137	250,081						175,056				
673	Maintenance of transmission mains	1,069,300	763,785		305,514								
673	Maintenance of distribution mains	4,973,976		2,925,868				2,048,108					
675	Maintenance of services	3,263,303										3,263,303	
676	Maintenance of meters	186,666									186,666		
677	Maintenance of hydrants	978,302											978,302
678	Maintenance of miscellaneous plant	283,594	26,278	81,197	8,478	0	0	56,838	3,557	0	21,060	66,308	19,878
	CUSTOMER ACCOUNTS EXPENSES												
901	Supervision	80,797								80,797			
902	Meter reading labor	171,110								171,110			
903	Customer records and collection expenses	649,813								649,813			
904	Uncollectible accounts	0								0			
905	Miscellaneous customer accounts expenses	0								0			
906	Customer service and information expenses	4,129								4,129			
	SALES EXPENSES												
910	Sales Expenses	0								0			
	ADMINISTRATIVE & GENERAL EXPENSES												
920	Administrative and general salaries	2,872,250	923,850	489,635	357,283	0	0	342,745	21,449	90,579	126,993	399,847	119,870
921	Office supplies and expenses	477,745	153,665	81,442	59,427	0	0	57,009	3,568	15,066	21,123	66,507	19,938
922	Administrative expenses transferred -- credit	0	0	0	0	0	0	0	0	0	0	0	0
923	Outside services employed	1,591,819	512,003	271,359	198,009	0	0	189,951	11,887	50,199	70,380	221,598	66,433
924	Property insurance	58,038	19,915	13,471	7,758	0	0	9,429	364	0	3,513	0	3,588
925	Injuries and damages	426,324	137,126	72,676	53,031	0	0	50,873	3,184	13,444	18,849	59,349	17,792
926	Employee pensions and benefits	6,842,103	2,200,739	1,166,380	851,098	0	0	816,466	51,095	215,771	302,515	952,492	285,546
928	Regulatory commission expenses	9,585	3,083	1,634	1,192	0	0	1,144	72	302	424	1,334	400
929	Duplicate charges -- credit	0	0	0	0	0	0	0	0	0	0	0	0
930	Miscellaneous general expenses	95,873	30,837	16,344	11,926	0	0	11,440	716	3,023	4,239	13,347	4,001
931	Rents	224,926	72,347	38,343	27,979	0	0	26,840	1,680	7,093	9,945	31,312	9,387
932	Maintenance of general plant	98,435	31,661	16,780	12,244	0	0	11,746	735	3,104	4,352	13,703	4,108
	TOTAL OPERATION & MAINTENANCE EXPENSES	50,243,011	22,145,786	7,064,756	5,153,025	0	0	4,945,329	309,259	1,304,432	1,832,348	5,758,235	1,729,843

SUMMARY OF ALLOCATION OF OPERATING COSTS TO SERVICE COST FUNCTIONS

OPERATING COST	EXTRA-CAPACITY											
	TOTAL (\$)	BASE COSTS		MAX DAY		MAX HOUR			CUSTOMER COSTS			FIRE PROTECT. (\$)
		SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	SYSTEM (\$)	DISTRIB. (\$)	STORAGE (\$)	BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	
OPERATION AND MAINTENANCE	50,243,011	22,145,786	7,064,756	5,153,025	0	0	4,945,329	309,259	1,304,432	1,832,348	5,758,235	1,729,843
DEPRECIATION EXPENSE	11,230,415	5,181,967	1,336,891	2,028,357	0	0	935,824	77,753	0	994,395	0	675,229
TAXES AND TAX EQUIVALENT	10,345,000	3,549,746	2,401,071	1,382,803	0	0	1,680,750	64,918	0	626,197	0	639,515
RETURN ON NET INVESTMENT RATE BASE	15,348,473	6,387,050	2,722,720	2,412,550	0	0	1,905,904	111,205	0	980,755	0	828,288
TOTAL	87,166,899	37,264,549	13,525,438	10,976,735	0	0	9,467,807	563,135	1,304,432	4,433,695	5,758,235	3,872,874

CUSTOMER CLASS DEMAND RATIOS

CUSTOMER CLASS	BASE COSTS						EXTRA-CAPACITY MAX DAY DEMAND					EXTRA-CAPACITY MAX HOUR DEMAND				
	ANNUAL VOLUME 100 CCF	AVERAGE DAY VOLUME CCF	PERCENT (%)	SYSTEM ADJUST. PERCENT (%)	DISTR. ADJUST. PERCENT (%)	EXTRA CAPACITY RATIO	VOLUME RATE CCF PER DAY	PERCENT (%)	SYSTEM ADJUST. PERCENT (%)	DISTR. ADJUST. PERCENT (%)	EXTRA CAPACITY RATIO	VOLUME RATE CCF PER HOUR	PERCENT (%)	SYSTEM ADJUST. PERCENT (%)	DISTR. ADJUST. PERCENT (%)	STORAGE ADJUST. PERCENT (%)
URBAN RESIDENTIAL	13,487,000	3,695,068	30.44%	30.44%	41.12%	1.50	5,542,603	34.90%	34.90%	40.95%	2.78	428,012	36.47%	36.47%	43.78%	42.34%
URBAN COMMERCIAL	9,314,000	2,551,781	21.02%	21.02%	28.40%	1.20	3,062,137	19.28%	19.28%	22.63%	2.17	230,724	19.66%	19.66%	23.60%	22.82%
URBAN INDUSTRIAL	4,760,000	1,304,110	10.74%	10.74%	14.51%	0.60	782,466	4.93%	4.93%	5.78%	1.05	57,055	4.86%	4.86%	5.84%	5.64%
URBAN PUBLIC AUTHORITY	2,513,000	688,493	5.67%	5.67%	7.66%	1.05	722,918	4.55%	4.55%	5.34%	1.90	54,506	4.64%	4.64%	5.58%	5.39%
SUBURBAN RESIDENTIAL	1,147,000	314,247	2.59%	2.59%	3.50%	1.50	471,370	2.97%	2.97%	3.48%	2.78	36,400	3.10%	3.10%	3.72%	3.60%
SUBURBAN COMMERCIAL	1,012,000	277,260	2.28%	2.28%	3.09%	1.20	332,712	2.10%	2.10%	2.46%	2.17	25,069	2.14%	2.14%	2.56%	2.48%
SUBURBAN INDUSTRIAL	115,000	31,507	0.26%	0.26%	0.35%	0.60	18,904	0.12%	0.12%	0.14%	1.05	1,378	0.12%	0.12%	0.14%	0.14%
SUBURBAN PUBLIC AUTHORITY	6,000	1,644	0.01%	0.01%	0.02%	1.05	1,726	0.01%	0.01%	0.01%	1.90	130	0.01%	0.01%	0.01%	0.01%
WEST MILWAUKEE RESIDENTIAL	88,000	24,110	0.20%	0.20%	0.00%	1.50	36,164	0.23%	0.23%	0.00%	2.78	2,793	0.24%	0.24%	0.00%	0.28%
WEST MILWAUKEE COMMERCIAL	90,000	24,658	0.20%	0.20%	0.00%	1.20	29,589	0.19%	0.19%	0.00%	2.17	2,229	0.19%	0.19%	0.00%	0.22%
WEST MILWAUKEE INDUSTRIAL	397,000	108,767	0.90%	0.90%	0.00%	0.60	65,260	0.41%	0.41%	0.00%	1.05	4,759	0.41%	0.41%	0.00%	0.47%
WEST MILWAUKEE PUBLIC AUTHORITY	0	0	0.00%	0.00%	0.00%	1.05	0	0.00%	0.00%	0.00%	1.90	0	0.00%	0.00%	0.00%	0.00%
BROWN DEER	657,000	180,000	1.48%	1.48%	0.00%	0.89	160,200	1.01%	1.01%	0.00%	1.71	12,825	1.09%	1.09%	0.00%	0.00%
BUTLER	162,000	44,384	0.37%	0.37%	0.00%	0.63	27,962	0.18%	0.18%	0.00%	1.33	2,460	0.21%	0.21%	0.00%	0.00%
GREENDALE	626,000	171,507	1.41%	1.41%	0.00%	1.80	308,712	1.94%	1.94%	0.00%	3.01	21,510	1.83%	1.83%	0.00%	0.00%
MENOMONEE FALLS	1,493,000	409,041	3.37%	3.37%	0.00%	0.64	261,786	1.65%	1.65%	0.00%	1.35	23,009	1.96%	1.96%	0.00%	0.00%
MEQUON	406,000	111,233	0.92%	0.92%	0.00%	1.13	125,693	0.79%	0.79%	0.00%	2.05	9,501	0.81%	0.81%	0.00%	0.94%
NEW BERLIN	1,225,000	335,616	2.76%	2.76%	0.00%	0.69	231,575	1.46%	1.46%	0.00%	1.42	19,857	1.69%	1.69%	0.00%	0.00%
SHOREWOOD	587,000	160,822	1.32%	1.32%	0.00%	1.15	184,945	1.16%	1.16%	0.00%	2.08	13,938	1.19%	1.19%	0.00%	1.38%
WAUWATOSA	2,310,000	632,877	5.21%	5.21%	0.00%	0.59	373,397	2.35%	2.35%	0.00%	1.28	33,753	2.88%	2.88%	0.00%	0.00%
WEST ALLIS	2,913,000	798,082	6.57%	6.57%	0.00%	0.46	367,118	2.31%	2.31%	0.00%	1.09	36,246	3.09%	3.09%	0.00%	0.00%
COUNTY INSTITUTIONS	555,000	152,055	1.25%	1.25%	0.00%	1.15	174,863	1.10%	1.10%	0.00%	2.08	13,178	1.12%	1.12%	0.00%	0.00%
PUBLIC FIRE PROTECTION	443,061	121,386	1.00%	1.00%	1.35%		2,598,930	16.36%	16.36%	19.20%		144,385	12.30%	12.30%	14.77%	14.28%
TOTALS	44,306,061	12,138,647	100.00%	100.00%	100.00%		15,881,032	100.00%	100.00%	100.00%		1,173,717	100.00%	100.00%	100.00%	100.00%
50% 50% <-- Public Fire % Limits --> 50% 50% 80%																

MAXIMUM DAY DEMAND = 25,299,362 (CUBIC FEET/DAY) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM DAY EXTRA CAPACITY DEMAND

MAXIMUM HOUR DEMAND = 1,530,051 (CUBIC FEET/HR) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM HOUR EXTRA CAPACITY DEMAND

1.27 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX DAY

1.52 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX HOUR

CUSTOMER CLASS ALLOCATION FACTORS

NUMBER OF METERS

<u>Meter size (inches):</u>	<u>5/8</u>	<u>3/4</u>	<u>1</u>	<u>1-1/4</u>	<u>1-1/2</u>	<u>2</u>	<u>2-1/2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>12</u>	TOTAL METERS	PERCENT
URBAN RESIDENTIAL	93,096	35,741	1,104	1	77	18	0	0	0	0	0	0	0	130,037	80.32%
URBAN COMMERCIAL	4,182	2,824	2,786	2	2,056	1,148	0	349	221	73	9	0	0	13,650	8.43%
URBAN INDUSTRIAL	271	276	201	0	217	245	0	96	55	36	7	3	0	1,407	0.87%
URBAN PUBLIC AUTHORITY	61	80	324	1	113	186	0	157	93	51	14	3	0	1,083	0.67%
SUBURBAN RESIDENTIAL	10,286	2,505	131	0	52	1	0	0	0	0	0	0	0	12,975	8.01%
SUBURBAN COMMERCIAL	408	166	457	2	459	68	0	28	17	11	1	0	0	1,617	1.00%
SUBURBAN INDUSTRIAL	8	3	10	0	10	6	0	1	1	1	1	0	0	41	0.03%
SUBURBAN PUBLIC AUTHORITY	0	0	1	0	0	1	0	0	1	2	0	0	0	5	0.00%
WEST MILWAUKEE RESIDENTIAL	449	341	13	0	1	1	0	0	0	0	0	0	0	805	0.50%
WEST MILWAUKEE COMMERCIAL	51	37	47	0	27	9	0	3	2	0	0	0	0	176	0.11%
WEST MILWAUKEE INDUSTRIAL	9	18	2	0	12	11	0	2	7	2	1	0	0	64	0.04%
WEST MILWAUKEE PUBLIC AUTHORITY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
BROWN DEER	0	0	0	0	0	0	0	0	0	0	4	0	0	4	0.00%
BUTLER	0	0	0	0	0	0	0	0	0	2	0	0	0	2	0.00%
GREENDALE	0	0	0	0	0	0	0	0	0	0	2	3	0	5	0.00%
MENOMONEE FALLS	0	0	0	0	0	0	0	0	0	0	2	2	0	4	0.00%
MEQUON	0	0	0	0	0	0	0	0	0	0	2	0	0	2	0.00%
NEW BERLIN	0	0	0	0	0	0	0	0	0	0	4	0	0	4	0.00%
SHOREWOOD	0	0	0	0	0	0	0	0	0	0	1	0	2	3	0.00%
WAUWATOSA	0	0	0	0	0	0	0	0	0	0	2	2	2	6	0.00%
WEST ALLIS	0	0	0	0	0	0	0	0	0	0	0	4	0	4	0.00%
COUNTY INSTITUTIONS	0	0	0	0	0	0	0	0	0	0	1	0	2	3	0.00%
TOTALS	108,821	41,991	5,076	6	3,024	1,694	0	636	397	178	51	17	6	161,897	100.00%

CUSTOMER CLASS ALLOCATION FACTORS

EQUIVALENT METERS

ALLOCATION FACTOR:

Meter size (inches):	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	TOTAL EQUIV. METERS	PERCENT
Equiv. meters ratio:	1.0	1.0	2.5	2.5	5.0	8.0	12.5	15.0	25.0	50.0	80.0	120.0	160.0		
URBAN RESIDENTIAL	93,096	35,741	2,760	3	385	144	0	0	0	0	0	0	0	132,129	58.04%
URBAN COMMERCIAL	4,182	2,824	6,965	5	10,280	9,184	0	5,235	5,525	3,650	720	0	0	48,570	21.34%
URBAN INDUSTRIAL	271	276	503	0	1,085	1,960	0	1,440	1,375	1,800	560	360	0	9,630	4.23%
URBAN PUBLIC AUTHORITY	61	80	810	3	565	1,488	0	2,355	2,325	2,550	1,120	360	0	11,717	5.15%
SUBURBAN RESIDENTIAL	10,286	2,505	328	0	260	8	0	0	0	0	0	0	0	13,387	5.88%
SUBURBAN COMMERCIAL	408	166	1,143	5	2,295	544	0	420	425	550	80	0	0	6,036	2.65%
SUBURBAN INDUSTRIAL	8	3	25	0	50	48	0	15	25	50	80	0	0	304	0.13%
SUBURBAN PUBLIC AUTHORITY	0	0	3	0	0	8	0	0	25	100	0	0	0	136	0.06%
WEST MILWAUKEE RESIDENTIAL	449	341	33	0	5	8	0	0	0	0	0	0	0	836	0.37%
WEST MILWAUKEE COMMERCIAL	51	37	118	0	135	72	0	45	50	0	0	0	0	508	0.22%
WEST MILWAUKEE INDUSTRIAL	9	18	5	0	60	88	0	30	175	100	80	0	0	565	0.25%
WEST MILWAUKEE PUBLIC AUTHORITY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
BROWN DEER	0	0	0	0	0	0	0	0	0	0	320	0	0	320	0.14%
BUTLER	0	0	0	0	0	0	0	0	0	100	0	0	0	100	0.04%
GREENDALE	0	0	0	0	0	0	0	0	0	0	160	360	0	520	0.23%
MENOMONEE FALLS	0	0	0	0	0	0	0	0	0	0	160	240	0	400	0.18%
MEQUON	0	0	0	0	0	0	0	0	0	0	160	0	0	160	0.07%
NEW BERLIN	0	0	0	0	0	0	0	0	0	0	320	0	0	320	0.14%
SHOREWOOD	0	0	0	0	0	0	0	0	0	0	80	0	320	400	0.18%
WAUWATOSA	0	0	0	0	0	0	0	0	0	0	160	240	320	720	0.32%
WEST ALLIS	0	0	0	0	0	0	0	0	0	0	0	480	0	480	0.21%
COUNTY INSTITUTIONS	0	0	0	0	0	0	0	0	0	0	80	0	320	400	0.18%
TOTALS	108,821	41,991	12,690	15	15,120	13,552	0	9,540	9,925	8,900	4,080	2,040	960	227,634	100.00%

CUSTOMER CLASS ALLOCATION FACTORS

EQUIVALENT SERVICES

ALLOCATION FACTOR:

Meter size (inches):	5/8	3/4	1	1-1/4	1-1/2	2	2-1/2	3	4	6	8	10	12	TOTAL EQUIV. SERVICES	PERCENT
Equiv. services ratio:	1.0	1.0	1.3	1.3	2.0	3.0	3.5	4.0	5.0	6.0	7.0	8.0	9.0		
URBAN RESIDENTIAL	93,096	35,741	1,435	1	154	54	0	0	0	0	0	0	0	130,482	74.69%
URBAN COMMERCIAL	4,182	2,824	3,622	3	4,112	3,444	0	1,396	1,105	438	63	0	0	21,188	12.13%
URBAN INDUSTRIAL	271	276	261	0	434	735	0	384	275	216	49	24	0	2,925	1.67%
URBAN PUBLIC AUTHORITY	61	80	421	1	226	558	0	628	465	306	98	24	0	2,869	1.64%
SUBURBAN RESIDENTIAL	10,286	2,505	170	0	104	3	0	0	0	0	0	0	0	13,068	7.48%
SUBURBAN COMMERCIAL	408	166	594	3	918	204	0	112	85	66	7	0	0	2,563	1.47%
SUBURBAN INDUSTRIAL	8	3	13	0	20	18	0	4	5	6	7	0	0	84	0.05%
SUBURBAN PUBLIC AUTHORITY	0	0	1	0	0	3	0	0	5	12	0	0	0	21	0.01%
WEST MILWAUKEE RESIDENTIAL	449	341	17	0	2	3	0	0	0	0	0	0	0	812	0.46%
WEST MILWAUKEE COMMERCIAL	51	37	61	0	54	27	0	12	10	0	0	0	0	252	0.14%
WEST MILWAUKEE INDUSTRIAL	9	18	3	0	24	33	0	8	35	12	7	0	0	149	0.09%
WEST MILWAUKEE PUBLIC AUTHORITY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
BROWN DEER	0	0	0	0	0	0	0	0	0	0	28	0	0	28	0.02%
BUTLER	0	0	0	0	0	0	0	0	0	12	0	0	0	12	0.01%
GREENDALE	0	0	0	0	0	0	0	0	0	0	14	24	0	38	0.02%
MENOMONEE FALLS	0	0	0	0	0	0	0	0	0	0	14	16	0	30	0.02%
MEQUON	0	0	0	0	0	0	0	0	0	0	14	0	0	14	0.01%
NEW BERLIN	0	0	0	0	0	0	0	0	0	0	28	0	0	28	0.02%
SHOREWOOD	0	0	0	0	0	0	0	0	0	0	7	0	18	25	0.01%
WAUWATOSA	0	0	0	0	0	0	0	0	0	0	14	16	18	48	0.03%
WEST ALLIS	0	0	0	0	0	0	0	0	0	0	0	32	0	32	0.02%
COUNTY INSTITUTIONS	0	0	0	0	0	0	0	0	0	0	7	0	18	25	0.01%
TOTALS	108,821	41,991	6,599	8	6,048	5,082	0	2,544	1,985	1,068	357	136	54	174,693	100.00%

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	TOTAL	URBAN	URBAN	URBAN	URBAN	SUBURBAN	SUBURBAN	SUBURBAN	SUBURBAN
	(\$)	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PUB AUTH	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PUB AUTH
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
BASE COSTS:									
SYSTEM	37,264,549	11,209,506	7,741,183	3,956,198	2,088,640	953,311	841,108	95,580	4,987
DISTRIBUTION	13,525,438	5,562,010	3,841,074	1,963,014	1,036,356	473,020	417,347	47,426	2,474
EXTRA-CAPACITY COSTS:									
MAXIMUM-DAY SYSTEM	10,976,735	3,797,131	2,097,811	536,052	495,257	322,926	227,935	12,951	1,182
MAXIMUM-DAY DISTIBUTION	0	0	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	0	0	0	0	0	0	0	0	0
MAXIMUM-HOUR DISTRIBUTION	9,467,807	4,144,938	2,234,364	552,528	527,842	352,506	242,772	13,349	1,260
MAXIMUM-HOUR STORAGE	563,135	238,109	128,355	31,740	30,322	20,250	13,946	767	72
CUSTOMER COSTS:									
BILLING	1,304,432	1,047,730	109,980	11,336	8,726	104,542	13,028	330	40
EQUIVALENT METERS	4,433,695	2,570,654	944,964	187,349	227,953	260,444	117,425	5,915	2,636
EQUIVALENT SERVICES	5,758,235	4,300,944	698,414	96,424	94,552	430,759	84,472	2,769	702
FIRE PROTECTION	3,872,874								
TOTAL COST	87,166,899	32,871,023	17,796,146	7,334,642	4,509,648	2,917,758	1,958,033	179,086	13,355
LESS OTHER REVENUE	4,371,009	1,692,967	1,091,561	377,759	232,262	150,274	100,845	9,224	688
COST OF SERVICE	82,795,890	31,178,056	16,704,585	6,956,884	4,277,386	2,767,483	1,857,187	169,863	12,667
REVENUE AT PRESENT RATES	66,078,717	24,396,904	13,417,466	4,726,862	3,128,378	2,722,204	1,925,067	164,331	17,253
DIFFERENCE	16,717,173	6,781,152	3,287,119	2,230,022	1,149,008	45,279	(67,880)	5,532	(4,586)
PERCENT INCREASE/DECREASE	25.30%	27.80%	24.50%	47.18%	36.73%	1.66%	-3.53%	3.37%	-26.58%

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	WEST MILWAUKEE RESIDENTIAL (\$)	WEST MILWAUKEE COMMERCIAL (\$)	WEST MILWAUKEE INDUSTRIAL (\$)	WEST MILWAUKEE PUB AUTH (\$)	BROWN DEER (\$)	BUTLER (\$)	GREENDALE (\$)	MENOMONEE FALLS (\$)
BASE COSTS:								
SYSTEM	73,140	74,802	329,960	0	572,510	141,167	545,497	1,301,001
DISTRIBUTION	0	0	0	0	0	0	0	0
EXTRA-CAPACITY COSTS:								
MAXIMUM-DAY SYSTEM	24,776	20,271	44,709	0	116,758	20,379	224,997	190,796
MAXIMUM-DAY DISTIBUTION	0	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	0	0	0	0	0	0	0	0
MAXIMUM-HOUR DISTRIBUTION	0	0	0	0	0	0	0	0
MAXIMUM-HOUR STORAGE	1,554	1,240	2,647	0	0	0	0	0
CUSTOMER COSTS:								
BILLING	6,486	1,418	516	0	32	16	40	32
EQUIVALENT METERS	16,255	9,874	10,992	0	6,637	2,074	10,786	8,297
EQUIVALENT SERVICES	26,762	8,310	4,898	0	923	396	1,253	989
FIRE PROTECTION								
TOTAL COST	148,972	115,915	393,722	0	696,860	164,032	782,572	1,501,114
LESS OTHER REVENUE	7,673	5,970	20,278	0	0	0	0	0
COST OF SERVICE	141,300	109,945	373,444	0	696,860	164,032	782,572	1,501,114
REVENUE AT PRESENT RATES	119,589	97,023	311,999	0	595,844	149,914	721,401	1,232,664
DIFFERENCE	21,711	12,922	61,445	0	101,016	14,118	61,171	268,450
PERCENT INCREASE/DECREASE	18.15%	13.32%	19.69%	NA	16.95%	9.42%	8.48%	21.78%

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	MEQUON (\$)	NEW BERLIN (\$)	SHOREWOOD (\$)	WAUWATOSA (\$)	WEST ALLIS (\$)	COUNTY INSTITUTIONS (\$)	PUBLIC FIRE PROTECTION (\$)
BASE COSTS:							
SYSTEM	353,789	1,067,465	511,512	2,012,935	2,538,389	483,627	368,243
DISTRIBUTION	0	0	0	0	0	0	182,717
EXTRA-CAPACITY COSTS:							
MAXIMUM-DAY SYSTEM	91,608	168,778	134,792	272,141	267,564	127,444	1,780,477
MAXIMUM-DAY DISTRIBUTION	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	0	0	0	0	0	0	0
MAXIMUM-HOUR DISTRIBUTION	0	0	0	0	0	0	1,398,248
MAXIMUM-HOUR STORAGE	5,597	0	8,211	0	0	0	80,324
CUSTOMER COSTS:							
BILLING	16	32	24	48	32	24	
EQUIVALENT METERS	3,319	6,637	8,297	14,934	9,956	8,297	
EQUIVALENT SERVICES	461	923	824	1,582	1,055	824	
FIRE PROTECTION							<u>3,872,874</u>
TOTAL COST	454,790	1,243,835	663,660	2,301,640	2,816,996	620,216	7,682,883
LESS OTHER REVENUE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>681,509</u>
COST OF SERVICE	454,790	1,243,835	663,660	2,301,640	2,816,996	620,216	7,001,374
REVENUE AT PRESENT RATES	<u>300,804</u>	<u>884,138</u>	<u>529,923</u>	<u>2,036,879</u>	<u>2,282,822</u>	<u>440,013</u>	<u>5,877,239</u>
DIFFERENCE	<u>153,986</u>	<u>359,697</u>	<u>133,737</u>	<u>264,761</u>	<u>534,174</u>	<u>180,203</u>	<u>1,124,135</u>
PERCENT INCREASE/DECREASE	<u>51.19%</u>	<u>40.68%</u>	<u>25.24%</u>	<u>13.00%</u>	<u>23.40%</u>	<u>40.95%</u>	<u>19.13%</u>

ALLOCATION OF PUBLIC FIRE PROTECTION TO CUSTOMER CLASSES

	TOTAL	MILWAUKEE	GREENFIELD	HALES	ST. FRANCIS	WEST	BROWN	BUTLER
	(\$)	(\$)	(\$)	CORNERS	(\$)	MILWAUKEE	DEER	(\$)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
ESTIMATED FIRE FLOW	21,860,101	12,960,000	1,101,124	152,716	305,028	156,510	387,130	84,431
BASE COSTS:								
SYSTEM	368,243	218,317	18,549	2,573	5,138	2,636	6,521	1,422
DISTRIBUTION	182,717	108,326	9,204	1,276	2,550	1,308	3,236	706
EXTRA-CAPACITY COSTS:								
MAXIMUM-DAY SYSTEM	1,780,477	1,055,575	89,685	12,439	24,844	12,748	31,531	6,877
MAXIMUM-DAY DISTRIBUTION	0	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	0	0	0	0	0	0	0	0
MAXIMUM-HOUR DISTRIBUTION	1,398,248	1,248,120	106,044	14,707	29,376	0	0	0
MAXIMUM-HOUR STORAGE	80,324	67,766	5,758	799	1,595	818	0	0
CUSTOMER COSTS:								
BILLING								
EQUIVALENT METERS								
EQUIVALENT SERVICES								
FIRE PROTECTION	3,872,874	3,420,181	290,590	40,302	80,498	41,303	0	0
TOTAL COST	7,682,883	6,118,286	519,830	72,096	144,001	58,814	41,288	9,005
LESS PRIVATE FIRE REVENUE	681,509	681,509	0	0	0	0	0	0
COST OF SERVICE	7,001,374	5,436,777	519,830	72,096	144,001	58,814	41,288	9,005
REVENUE AT PRESENT RATES	5,877,239	4,328,971	440,288	93,505	159,748	100,443	53,376	48,204
DIFFERENCE	1,124,135	1,107,806	79,542	(21,409)	(15,747)	(41,629)	(12,088)	(39,199)
PERCENT INCREASE/DECREASE	19.13%	25.59%	18.07%	-22.90%	-9.86%	-41.45%	-22.65%	-81.32%

ALLOCATION OF PUBLIC FIRE PROTECTION TO CUSTOMER CLASSES

	GREENDALE	MENOMONEE	MEQUON	NEW	SHOREWOOD	WAUWATOSA	WEST	COUNTY
	(\$)	FALLS	(\$)	BERLIN	(\$)	(\$)	ALLIS	INSTITUTIONS
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
ESTIMATED FIRE FLOW	452,393	1,051,723	251,013	849,390	435,158	1,377,977	1,812,487	483,021
BASE COSTS:								
SYSTEM	7,621	17,717	4,228	14,308	7,330	23,213	30,532	8,137
DISTRIBUTION	3,781	8,791	2,098	7,100	3,637	11,518	15,150	4,037
EXTRA-CAPACITY COSTS:								
MAXIMUM-DAY SYSTEM	36,847	85,661	20,445	69,182	35,443	112,234	147,625	39,341
MAXIMUM-DAY DISTRIBUTION	0	0	0	0	0	0	0	0
MAXIMUM-HOUR SYSTEM	0	0	0	0	0	0	0	0
MAXIMUM-HOUR DISTRIBUTION	0	0	0	0	0	0	0	0
MAXIMUM-HOUR STORAGE	0	0	1,313	0	2,275	0	0	0
CUSTOMER COSTS:								
BILLING								
EQUIVALENT METERS								
EQUIVALENT SERVICES								
FIRE PROTECTION	0	0	0	0	0	0	0	0
TOTAL COST	48,249	112,169	28,084	90,590	48,686	146,965	193,307	51,515
LESS PRIVATE FIRE REVENUE	0	0	0	0	0	0	0	0
COST OF SERVICE	48,249	112,169	28,084	90,590	48,686	146,965	193,307	51,515
REVENUE AT PRESENT RATES	62,280	106,752	27,024	76,800	66,828	149,904	163,116	0
DIFFERENCE	(14,031)	5,417	1,060	13,790	(18,142)	(2,939)	30,191	51,515
PERCENT INCREASE/DECREASE	-22.53%	5.07%	3.92%	17.96%	-27.15%	-1.96%	18.51%	NA

* New Berlin revenue at present rates includes the \$23,424 extra from the rate case application which contemplated the additional area in New Berlin to be served by MWW water, but which was not material enough to adjust.